

EAST RENFREWSHIRE COUNCILCABINET19th February 2015Report by the Deputy Chief ExecutiveWRITE-OFF OF IRRECOVERABLE HOUSING BENEFIT OVERPAYMENT**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to write-off as irrecoverable housing benefit overpayments up to the value of £122,110.03.

RECOMMENDATION

2. The Cabinet notes the report and approves the write-off sum up to the value of £122,110.03 of irrecoverable housing benefit overpayments. without prejudice to subsequent recovery procedure.

BACKGROUND

3. Housing benefit overpayments (HBOs) can occur where a housing benefit recipient fails to notify the Council of a change of circumstance which affects the level of housing benefit they are due to receive. In most cases this is due to oversight but in a small number of cases the overpayment is the result of an attempt to defraud. In higher value, more important cases of this type such action will lead to prosecution and in lower value cases to the addition of an administrative financial penalty. In almost all cases the recipient is expected to repay the resulting overpayment.

REPORT

4. Because in many cases HBO debtors' only source of income is benefits, housing benefit overpayments are very difficult to collect with only around 40% of overpayments being collected in the year in which they occur. Collection of fraudulent overpayments is prioritised over other overpayments. A period of prescription of five years is set for this type of debt which gives a very short timescale for Councils to take action to collect sums from debtors many of whom will continue to be in receipt of benefits or earn low incomes. Just over 30% of the sum recommended for write off is outwith the prescribed period.

5. A recent trawl of outstanding housing benefit overpayments shows by reason of write off.

	<u>Number</u> <u>Accounts</u>	<u>of</u>	<u>Irrecoverable</u> <u>account Total</u> £
Recovery action exhausted	133		44269.36
Deceased	111		24,480.46
Gone Away	3		503.58
Sequestration	21		14,958.11
Enforcement Period prescribed	37		36,786.66
Below enforcement threshold	19		1,111.86
	<u>324</u>		<u>122,110.03</u>

6. In 2013/14 housing benefit overpayments totalled £283,237 and up to 31st December 2014, in the current year the value of overpayments is £264,309 of which the sum collected is £151,400 (57%). The sum recommended for write off represents around 43% of the 2013/14 overpayment level and can be met from existing bad debt provisions. The sharp increase in the value of write offs is because a full review of recoverability of outstanding overpayments has been undertaken following a recent Housing Benefit Risk Assessment which was undertaken by Audit Scotland.

RECOMMENDATION

7. The purpose of this report is to seek approval to write-off as irrecoverable housing benefit overpayments up to the value of £122,110.03.

Caroline Innes
Deputy Chief Executive
20/01/15

Cabinet contact: Councillor McAlpine, Convenor for Corporate Services
Tel : 0141 638 3860 (Home)
Mobile: 07890 592671

Report Author: David Miller 0141 577 3203

BACKGROUND PAPERS:

1. Ohms Housing Management System Reports
2. Cars Corporate Debt recovery Reports
3. Orbis Housing Benefit System Reports

KEY WORDS Write off and irrecoverable.